



# MEMORANDUM

107.07-17A MIAMI-DADE/GSA-MAT. MGT.

Agenda Item No. 7(R)(1)(D)

TO: Honorable Chairperson and Members  
Board of County Commissioners

DATE: July 22, 2003

FROM: George M. Burgess  
County Manager

SUBJECT: Resolution Declaring United  
Engineering in Default on Contract  
W-665B

## RECOMMENDATION

It is recommended that the Board of County Commissioners adopt the attached resolution declaring United Engineering Corporation in default for failure to perform on Contract W-665-B, entitled John E. Preston Water Treatment Plant Softeners No. 7 and 8 Disinfectant/Disinfection By-Products in accordance with Section 24 of the Contract's General Covenants and Conditions.

## BACKGROUND

On May 15, 2000, the Miami-Dade Water and Sewer Department (Department) advertised for bid its Contract W-665-B for the John E. Preston Water Treatment Plant Softeners No. 7 and 8, Disinfectant/Disinfection By-Products. The project was necessitated by changes in federal law requiring additional treatment for the removal of by-products of the water treatment disinfection process. United Engineering Corporation (United) submitted the low bid of \$23,450,000 and was awarded the project. A Notice to Proceed was issued on December 1, 2000, with a completion date of March 30, 2005.

The contract established four interim milestones, with the milestone for Phase 2 based on the federal compliance date. The milestone for Phase 1 was December 31, 2002. United has not met this milestone, and based on an inspection of the remaining work, the Department considers that substantial completion of Phase 1 will not occur until August 31, 2003. Phase 2 of the Contract is to be completed by December 31, 2003, at which time new treatment units are to be placed into service and the County is to begin producing water that meets the new federal drinking water standards. Completion of Phase 2 requires, in part, completion of Phase 1. Based on the anticipated date of Phase 1 completion, the estimated completion date of Phase 2 is mid April 2004, or more than 100 days after the contract requirement date of December 31, 2003.

When it became apparent late last year that United was not going to meet the Phase 1 deadline, the Department told United to take all necessary steps to timely complete the project. The bonding company was notified, and for a very short while, the contractor assigned additional manpower to the project. The bonding company has been kept informed of our concerns regarding the lack of progress on the project. A revised construction schedule was requested from United indicating that, even though behind schedule, the critical work necessary to complete Phases 1 and 2 would be finished by the December 31, 2003 Phase 2 deadline. However, the schedule as submitted has not been fulfilled. The Department, as a commitment to assist the contractor in its work progress, monitored and reviewed the schedule bi-weekly. The schedules have not been met by United, who has fallen further and further behind. Daily status meetings were held with the contractor. The Department documented United's on-site work crews on a daily basis, with no indication of any significant effort to accelerate the job.

In accordance with the provisions of the Contract, the Department has completed the attached "Certificate of Engineer" certifying that United has received written and verbal notice of its unsatisfactory work.

The Department now considers that completion of the contract to meet the federal requirements is not feasible. United has been unable to satisfactorily demonstrate its ability to complete the project timely and has jeopardized the County's ability to comply with federal drinking water standards. By placing the contractor in default and invoking the provisions of the performance bond, the Department will look to the bonding agency to have the work appropriately accelerated to a timely completion.

Approval of the attached resolution is respectfully requested.

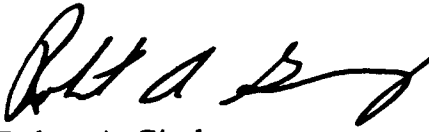


# MEMORANDUM

(Revised)

**TO:** Honorable Chairperson and Members  
Board of County Commissioners

**DATE:** July 22, 2003

**FROM:**   
Robert A. Ginsburg  
County Attorney

**SUBJECT:** Agenda Item No. 7(R)(1)(D)

Please note any items checked.

- ☐ "4-Day Rule" ("3-Day Rule" for committees) applicable if raised
- ☐ 6 weeks required between first reading and public hearing
- ☐ 4 weeks notification to municipal officials required prior to public hearing
- ☐ Decreases revenues or increases expenditures without balancing budget
- ☐ Budget required
- ☐ Statement of fiscal impact required
- ☐ Bid waiver requiring County Manager's written recommendation
- ☐ Ordinance creating a new board requires detailed County Manager's report for public hearing
- ☐ Housekeeping item (no policy decision required)
- ☐ No committee review

Approved \_\_\_\_\_ Mayor  
Veto \_\_\_\_\_  
Override \_\_\_\_\_

Agenda Item No. 7(R)(1)(D)  
7-22-03

RESOLUTION NO. \_\_\_\_\_

RESOLUTION FINDING UNITED ENGINEERING  
COMPANY IN DEFAULT OF MIAMI-DADE COUNTY  
CONTRACT W-665B, JOHN E. PRESTON WATER  
TREATMENT PLANT SOFTENERS NO. 7 AND NO. 8  
DISINFECTANT/DISINFECTION BY-PRODUCTS,  
AND DIRECTING THE COUNTY MANAGER TO  
EXERCISE ALL REMEDIES PROVIDED FOR IN SAID  
CONTRACT

WHEREAS, the Engineer has certified to this Board that United Engineering Corporation has failed to prosecute the work of Miami-Dade County Contract W-665B, John E. Preston Water Treatment Plant Softeners No. 7 and No. 8 Disinfectant/Disinfection By-Products; and

WHEREAS, the Engineer has placed United Engineering Corporation on notice of such failure; and

WHEREAS United Engineering Corporation has failed to correct this failure within two weeks of the Engineer's notice; and

WHEREAS, this Board finds and determines that the certification of the Engineer is factually correct in all material aspects,

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF MIAMI-DADE COUNTY, FLORIDA, that this Board hereby finds and determines that United Engineering Corporation is in default of Miami-Dade

County Contract W-665B, John E. Preston Water Treatment Plant Softeners No. 7 and No. 8 Disinfectant/Disinfection By-Products, and instructs the County Manager or his designee to take all actions or remedies provided at law or in the contract to Miami-Dade County, including but not limited to taking the work out of the hands of United Engineering Corporation and invoking the performance bond.

The foregoing resolution was offered by Commissioner \_\_\_\_\_, who moved its adoption. The motion was seconded by Commissioner \_\_\_\_\_ and upon being put to a vote, the vote was as follows:

Dr. Barbara Carey-Shuler, Chairperson  
Katy Sorenson, Vice-Chairperson


Bruno A. Barreiro  
Betty T. Ferguson  
Joe A. Martinez  
Dennis C. Moss  
Natacha Seijas  
Sen. Javier D. Souto

Jose "Pepe" Diaz  
Sally A. Heyman  
Jimmy L. Morales  
Dorrian D. Rolle  
Rebeca Sosa

The Chairperson thereupon declared the resolution duly passed and adopted this 22nd day of July, 2003. This resolution shall become effective ten (10) days after the date of its adoption unless vetoed by the Mayor, and if vetoed, shall become effective only upon an override by this Board.

MIAMI-DADE COUNTY, FLORIDA  
BY ITS BOARD OF  
COUNTY COMMISSIONERS

HARVEY RUVIN, CLERK

Approved by County Attorney as  
to form and legal sufficiency. 

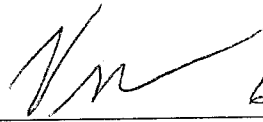
David M. Murray

By: \_\_\_\_\_  
Deputy Clerk

### Certificate of Engineer

In compliance with General Covenants and Conditions, Article 24 - Annulment of Contract by County of Miami-Dade County Contract No. W-665B, I hereby certify to the Miami-Dade County Board of County Commissioners the following: On August 2, 2000, United Engineering Corporation (United) executed the contract and agreed to furnish all necessary labor, materials, and equipment and perform all work in the manner and form provided by the Contract Documents covering the Project of the County known and identified as "**John E. Preston Water Treatment Plant Softeners No. 7 and No. 8, Disinfectant/Disinfection By-Products, Contract No. W-665B**". On March 24, 2003, the Miami-Dade Water and Sewer Department (Department) gave written notice to United and Fireman's Fund Insurance Company, the surety on the Contract Performance and Payment Bonds; that United was in default of its Contract for unsatisfactory performance of work, for failure to meet the initial project milestone specified in the Contract, and for not carrying on the Contract in an acceptable manner; and that in said written notice, the Department gave United two (2) weeks to correct the specified items of default. United failed to correct the specified items of default and to comply with the Department's written and verbal directions during the last several months. The Project consists of four (4) Phases with specific completion periods and dates. Phase 1 was to have been completed on December 31, 2002; United has yet to complete the work of Phase 1. The Contractor is approximately six (6) to eight (8) months behind in his Contract and will not complete Phase 2 (the critical 2<sup>nd</sup> milestone) on time. The Department has been working diligently and extensively with United to help mitigate the delays, but the contractor continues to fall further behind. United is not pursuing the work in a manner that will attempt to recover lost time as provided for in the Contract.

Date: June 25, 2003

 6/25/03  
\_\_\_\_\_  
Victor Fernandez-Cuervo, P. E.  
Chief, Engineering Division